

Amend Handbook Section 20-400.1 to read:

20-400 CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY 20-400
TO KIDS/FOOD STAMPS (CALWORKS /FS) INTERCEPT
PROGRAM

HANDBOOK BEGINS HERE

- .1 The CalWORKs/FS Intercept Program is a ~~voluntary~~ program designed to assist the counties in the collection of delinquent welfare overpayments/overissuances. Participation in the Treasury's Offset Programs portion of the Intercept Program is mandatory.
(Continued)

HANDBOOK ENDS HERE

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10063(b), 10553, and 10554, Welfare and Institutions Code; ~~and~~ Section 12419.5, Government Code; and 7 CFR 273.18(n).

Amend Section 20-401 to read:

20-401 DEFINITIONS

20-401

~~(a-)~~ (Continued)

~~(b-)~~ (Continued)

~~(c-)~~ (Continued)

~~(d-)~~ (Continued)

~~(e-)~~ (Continued)

~~(f-)~~ (Continued)

(3) Federal Salary Offset - means that part of the ~~Federal Tax Refund~~ Treasury's Offset Programs that requires delinquent food stamp overissuances to current federal government employees be collected through wage attachment.

(4) ~~Federal Tax Refund~~ Treasury's Offset Programs (TOP) - means the offset program administered by FNS in conjunction with the Internal Revenue Service (IRS) to intercept federal tax refunds and/or other eligible federal payments to repay a delinquent food stamp overissuance due to an intentional program violation (IPV), ~~or~~ inadvertent household error (IHE), or administrative error (AE).

~~(g-)~~ (Continued)

~~(h-)~~ (Continued)

~~(i-)~~ (1) Intercept - means an action of taking money from an individual's state/federal income tax refund, ~~and/or~~ lottery winnings, and/or other eligible federal payments to satisfy a welfare overpayment/overissuance. (Continued)

~~(j-)~~ (Continued)

~~(k-)~~ (Continued)

~~(l-)~~ (Continued)

~~(m-)~~ (Continued)

~~(n-)~~ (Continued)

(o-) (Continued)

(p-) (Continued)

(q-) (Continued)

(r-) (Continued)

(s-) (Continued)

(t-) (Continued)

(u-) (Continued)

(v-) (Continued)

(w-) (Continued)

(x-) (Continued)

(y-) (Continued)

(z-) (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 12419.5, Government Code; Anderson v. McMahon, Superior Court, Alameda County, 1989, No. 620039-4, stipulation and court order for entry of judgment, filed August 22, 1989; Akar v. Anderson (1997) 58 Cal.App.4th 1166; Federal Register, August 20, 1991 (56 FR 41325-31); Federal Register, August 28, 1992 (57 FR 39176-77); Federal Register, August 12, 1993 (58 FR 42937); Federal Register, September 17, 1993 (58 FR 48633); Federal Register, September 1, 1995 (60 FR 45990); Deficit Reduction Act of 1984 (DEFRA) (31 USC 2720A); Food Stamp Act of 1977 [7 USC 2026 Section 17 (b)]; Debt Collection Improvement Act of 1996 (31 USC 3716); Public Law 104-193 (7 USC 2022(b)(1)); ~~and~~ 7 CFR 273.18; and 7 CFR 273.18(n).

1. Amend Section 20-402 to read:
2. Post Hearing Modification: Amend Section 20-402.1 to read:

20-402 GENERAL REQUIREMENTS (~~Continued~~)

20-402

- .1 The county shall have the right of recovery or determined that the debt is legally enforceable, prior to the submission of the case for intercept as prescribed in Manual of Policies and Procedures (MPP) Section 20-403. For purposes of this section as defined under 7 and 31 CFR, “legally enforceable” means that there are no legal bars, such as a pending administrative hearing; is in litigation or foreclosure, bankruptcy, etc.
- .2 ~~Annually, e~~Each participating county shall submit to the California Department of Social Services (CDSS) ~~a list of all~~ eligible cases on a continuous basis. Eligible cases shall be submitted in the manner and time frame prescribed in MPP Section 20-404.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 12419.5, Government Code; Anderson v. McMahon, Superior Court, Alameda County, 1989, No. 620039-4, stipulation and court order for entry of judgment, filed August 22, 1989; Federal Register, August 20, 1991 (56 FR 41325-31); Federal Register, August 28, 1992 (57 FR 39176-77); Federal Register, August 12, 1993 (58 FR 42937); Federal Register, September 1, 1995 (60 FR 45990); Deficit Reduction Act of 1984 (DEFRA) (31 USC 2720A); Food Stamp Act of 1977 [7 USC 2026 Section 17 (b)]; ~~and~~ 7 CFR 273.18; and 31 CFR 285.2.

Amend Section 20-403.24 to read:

20-403 ELIGIBILITY REQUIREMENTS (Continued)

20-403

.2 The following cases shall not be eligible for intercept: (Continued)

- .24 Cases in which the individual has requested a state hearing or is awaiting a decision from a state hearing or has received an adopted state hearing decision which determined that there is no overpayment/overissuance or the overpayment/overissuance has already been recovered. If the individual has requested a state hearing or is awaiting a decision from a state hearing, the county welfare department shall notify CDSS, ~~prior to December 1 each year~~, to remove the individual from the tax intercept program; and (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 10063(b), Welfare and Institutions Code; Section 12419.5, Government Code; Anderson v. McMahon, Superior Court, Alameda County, 1989, No. 620039-4, stipulation and court order for entry of judgment, filed August 22, 1989; Federal Register, August 20, 1991 (56 FR 41325-31); Federal Register, August 28, 1992 (57 FR 39176-77); Federal Register, August 12, 1993 (58 FR 42937); Federal Register, September 1, 1995 (60 FR 45990); Deficit Reduction Act of 1984 (DEFRA) (31 USC 2720A); Food Stamp Act of 1977 [7 USC 2026 Section 17 (b)]; and 7 CFR 271, 272, and 273.18.

Amend Section 20-404 to read:

20-404 FORMAT

20-404

- .1 Counties shall submit information regarding eligible cases either by magnetic data tape, cartridge, diskette, wire-to-wire, or paper documents. Such information shall contain, but is not limited to, the following: (Continued)
 - .15 Total amount of delinquent CalWORKs overpayment or FS overissuance separated as to FTB or IRS amount owed, administrative error (AE) amount owed, IPV amount owed and IHE amount owed; and (Continued)
- .2 ~~Participating e~~Counties shall submit cases for intercept to CDSS once they meet the criteria for intercept in accordance with MPP Section 20-403 by May 1 of each year.
- .3 Counties shall update delinquent case amounts submitted to CDSS when county information indicates that an erroneous or an excess amount is to be intercepted if action is not taken. Update information shall contain, but not be limited to, the following: (Continued)
 - ~~.32 Tax year;~~
 - .332 (Continued)
 - .343 (Continued)
 - .354 ~~Revised amount~~ Amount to be reduced/increased by; and
 - .365 Type code (i.e., "2", "3", ~~or "4", "7"~~) for ~~"changing"~~ "decreasing" the amount requested, or "deleting" an individual from the list, or "the amount refunded" to an individual due to an overcollection, or "increasing" the amount requested.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 10063(b), Welfare and Institutions Code; Section 12419.5, Government Code; Anderson v. McMahon, Superior Court, Alameda County, 1989, No. 620039-4, stipulation and court order for entry of judgment, filed August 22, 1989; Federal Register, August 20, 1991 (56 FR 41325-31); Federal Register, August 28, 1992 (57 FR 39176-77); Federal Register, August 12, 1993 (58 FR 42937); Federal Register, September 1, 1995 (60 FR 45990); Deficit Reduction Act of 1984 (DEFRA) (31 USC 2720A); Food Stamp Act of 1977 [7 USC 2026 Section 17 (b)]; and 7 CFR 273.18.

Amend Section 20-405 to read:

20-405 CERTIFICATION

20-405

- .1 Each year ~~The individual who supervised the compilation of the list of delinquent accounts~~ county shall complete and sign a statement under penalty of perjury certifying the accuracy of the delinquent account information submitted for that year.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 12419.5, Government Code; Anderson v. McMahon, Superior Court, Alameda County, 1989, No. 620039-4, stipulation and court order for entry of judgment, filed August 22, 1989.

1. Amend Sections 20-406.1, .11, .3, and .4 and Handbook Section 20-406.5 to read:
2. Post Hearing Modifications: Repeal Section 20-406.31; renumber Sections 20-406.32 and 20-406.33; adopt Sections 20-406.33 and 20-406.34; repeal Section 20-406.4; and renumber Section 20-406.5 to read:

20-406 INTERCEPT PRE-OFFSET WARNING NOTICE TO
DELINQUENT RECIPIENTS

20-406

- .1 A pre-offset warning notice shall be sent to delinquent CalWORKs/FS recipients by CDSS at least 30 days prior to intercept for FTB indicating that their name is being referred to FTB for intercept. ~~and the state agency~~ CDSS shall mail a pre-offset warning notice at least 60 days prior to intercept for claims ~~to be~~ referred for collection through the IRS by September 1, ~~preceding the offset year~~ indicating that their name is being referred to FTB ~~and/or IRS for intercept.~~ In addition, CDSS shall mail an annual pre-offset warning notice by September 1 to delinquent CalWORKs/FS recipients who have been referred for collection through FTB.
- .11 The pre-offset warning notice shall contain, but not be limited to, the following information: (Continued)
- .3 The CWD shall attempt to identify a more current address for cases in which the pre-offset warning notices are returned as undeliverable by the post office. ~~(Continued)~~
- ~~.31 If a more current address is not found, the notice and envelope shall be placed in the case file and the file annotated to document the attempt to mail; or the attempt to mail shall be recorded on a computerized accounts receivable system and the notice and envelope filed centrally. The notice and envelope shall be retained in accordance with MPP Section 23-353 (Records Retention).~~
- .32~~1~~ Notices that are undeliverable due to clerical or typographical errors shall be corrected and remailed by the CWD.
- .33~~2~~ Cases in which attempts to notify the recipients have been unsuccessful shall not be deleted from the intercept submission list. ~~(Continued)~~
- .33 Regarding both Federal and FTB intercept warning notices: the county shall obtain the best known address.
- .34 If, after a number of attempts to mail have been made and the mail is subsequently returned to the CWD as undeliverable and a more current address is not found by the CWD, the notice and the envelope shall be placed in the case file and the file annotated to document the attempt to mail; or the attempt to mail shall be recorded on a computerized accounts receivable system and the notice and envelope filed centrally. The notice and envelope shall be retained in accordance with MPP Section 23-353 (Records Retention).

- ~~.4 Pre offset Warning notices for the federal tax intercept shall use the address information provided by the IRS. If a warning notice is returned as undeliverable, no further action is necessary as the standard for a reasonable attempt to notify an individual has been met.~~

HANDBOOK BEGINS HERE

- .54 If a claim is referred to the IRS, a charge for the administrative cost of collection will be added to the claim amount, and that amount will be deducted from the ~~federal tax refund intercepted amount~~.

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Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 10063(b), Welfare and Institutions Code; Section 12419.5, Government Code and Wightman v. Franchise Tax Board, 249 Cal Rptr. 207, 202 C.A. 3d 966; Anderson v. McMahon, Superior Court, Alameda County, 1989, No. 620039-4, stipulation and court order for entry of judgment, filed August 22, 1989; Federal Register, August 20, 1991 (56 FR 41325-31); Federal Register, August 28, 1992 (57 FR 39176-77); Federal Register, August 12, 1993 (58 FR 42937); Federal Register, September 1, 1995 (60 FR 45990); Deficit Reduction Act of 1984 (DEFRA) (31 USC 2720A); Food Stamp Act of 1977 [7 USC 2026 Section 17 (b)]; and 7 CFR 273.18.

Amend Section 20-409 to read:

20-409 SAFEGUARD PROCEDURES

20-409

- .1 Counties shall establish and design procedures to prevent unauthorized uses of the information and to protect the confidentiality of the information received from the ~~Federal Tax Refund~~ Treasury's Offset Programs (~~FTROP~~) (TOP). The procedures shall contain, but are not limited to the following: (Continued)
 - .12 Limit access to ~~FTROP~~ TOP information;
 - .13 Destruction of ~~FTROP~~ TOP information; and
 - .14 Employee awareness of civil and criminal penalties involved with improper disclosure of ~~FTROP~~ TOP information.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Federal Register, August 20, 1991 (56 FR 41325-31); Federal Register, August 28, 1992 (57 FR 39176-77); Federal Register, August 12, 1993 (58 FR 42937); Federal Register, September 1, 1995 (60 FR 45990); Deficit Reduction Act of 1984 (DEFRA) (31 USC 2720A); Food Stamp Act of 1977 [7 USC 2026 Section 17 (b)]; ~~and 7 CFR 273.18;~~ and 7 CFR 273.18(n).